

BUDGET LETTER

SUBJECT: OFFICE REVOLVING FUND DISBURSEMENTS	NUMBER: 02-14
REFERENCES: GOVERNMENT CODE SECTION 16401; STATE ADMINISTRATIVE MANUAL SECTIONS 8110, 8595	DATE ISSUED: July 1, 2002 SUPERSEDES: BL 01-14

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

Budget Officers are requested to forward a copy of this Budget Letter to Departmental Personnel and Labor Relations Officers.

This Budget Letter (BL) advises State agencies that Office Revolving Fund (ORF) disbursements are prohibited for fiscal year 2002-03 payments until the 2002 Budget Act becomes effective. Generally, this restriction applies to ORF payments for travel advances, travel expenses, discount invoices, and other payments made by ORF check.

Government Code Section 16401 requires that all ORF disbursements be in accordance with law. Until there is a 2002 Budget Act, there is no spending authority for many of the 2002-03 related disbursements. However, revolving fund disbursements for the prior year may be allowable during this time period.

Employees subject to the Fair Labor Standards Act must be compensated for work performed. Therefore, ORF disbursements are permissible for salary earned when errors or delays prevent the payroll warrant from being delivered. The amount of the ORF check will be as close as possible to the actual net pay of the Controller's warrant, in accordance with State Administrative Manual Section 8595.

Additional information is available on the Finance website at http://www.dof.ca.gov/fisa/fscu/fscu_FAQs.htm. If you have any questions regarding this BL, please contact the Department of Finance, Fiscal Systems and Consulting Unit, at (916) 324-0385, CALNET 454-0385, or e-mail FSCUHotline@dof.ca.gov.



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